

# FISCAL NOTE

**Bill #:** HB0447

**Title:** Clarify local authority for zoning and defining casinos

**Primary**

**Sponsor:** David Ewer

**Status:** As introduced

Sponsor signature	Date	Dave Lewis, Budget Director	Date
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## Fiscal Summary

	<b><u>FY2000 Difference</u></b>	<b><u>FY2001 Difference</u></b>
<b>Expenditures:</b>		
General Fund	\$51,675	\$48,788
State Special Revenue	194,398	183,535
<b>Revenue:</b>	\$0	\$0
<b>Net Impact on General Fund Balance:</b>	<b>(\$51,675)</b>	<b>(\$48,788)</b>

<b><u>Yes</u></b>	<b><u>No</u></b>		<b><u>Yes</u></b>	<b><u>No</u></b>	
	X	Significant Local Gov. Impact	X		Technical Concerns
	X	Included in the Executive Budget		X	Significant Long-Term Impacts

## Fiscal Analysis

### ASSUMPTIONS:

1. The Department of Justice (DOJ) will continue to receive approximately 320 license transfer applications per year.
2. The contested licensing decisions will require the DOJ to contract for more hearing officer services. Estimated cost is \$30,000 a year (\$50/hour x 600 hours).
3. The number of contested licensing decisions will necessitate the addition of 1.00 FTE attorney (grade 18 – cost \$43,713) to represent the DOJ and 1.00 FTE paralegal assistant (grade 13 – cost \$29,384) to facilitate and make a record of hearings.
4. The requirement that the DOJ evaluate applications in terms of public convenience and necessity will require 3.00 FTE licensing compliance officers (grade 14 – cost is 3 x 31,691 = \$95,073), capable of

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measuring those factors and comparing them to established standards. Officers will have to carry approximately 100 cases per year.

5. On-going operating costs include \$7,125 for rent, \$2,500 for communications, \$2,500 for supplies, \$9,528 for 3 vehicle leases, and \$12,500 for travel. One-time operating costs in FY 2000 are \$8,750 for new personal computers, and \$5,000 for desks/chairs.
6. Funding split for the Gambling Control Division is 79% state special revenue fund and 21% general fund.
7. There is no fiscal impact to the Department of Public Health and Human Services.

**FISCAL IMPACT:**

	FY2000	FY2001
<b>Dept of Justice</b>	<b><u>Difference</u></b>	<b><u>Difference</u></b>
FTE	5.00	5.00

**Expenditures:**

Personal Services	\$168,170	\$168,170
Operating Expenses	<u>77,903</u>	<u>64,153</u>
TOTAL	\$246,073	\$232,323

**Funding:**

General Fund (01)	\$51,675	\$48,788
State Special Revenue (02)	<u>194,398</u>	<u>183,535</u>
TOTAL	\$246,073	\$232,323

<b><u>Revenues:</u></b>	\$0	\$0
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**Net Impact to Fund Balance (Revenue minus Expenditure):**

General Fund (01)	(\$51,675)	(\$48,788)
State Special Revenue (02)	(194,398)	(183,535)

**EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:**

Local governments will be required to establish zoning requirements for casinos. The division is not certain of the costs involved with meeting these requirements.

**LONG-RANGE IMPACTS:**

There will be a significant increase in time and expense for the DOJ to evaluate public convenience and necessity, and adverse impacts on other licensees.

**TECHNICAL NOTES:**

1. The bill calls for the DOJ to evaluate public convenience and necessity but provides no standards of evaluation.
2. The bill also directs the DOJ to evaluate project adverse impacts on other licensees and consider those impacts when making a licensing determination but provides no standards of evaluation.
3. The Department of Revenue already evaluates public convenience and necessity when deciding whether to approve liquor license transfers. Almost all gambling operator license transfers also involve liquor transfers.

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4. Zoning is governed by local jurisdictions. Zoning boards take input from the public and make determinations on the basis of the community's best interest.
5. Finally, there are insufficient state special revenue funds to fund the DOJ needs as provided for in this fiscal note and the DOJ base budget and proposed new programs.